

Department of Social and Health Services

**DP Code/Title: M2-2F State Supplemental Payments**

**Program Level - 040 Div of Developmental Disab**

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Budget Period: 2001-03    Version: D3 040 2001-03 2003 Sup Agency Req

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**Recommendation Summary Text:**

The Developmental Disabilities Services (DDS) requests additional funding to meet the federal Maintenance of Effort (MOE) spending requirements of the Supplemental Security Income (SSI)/State Supplemental Payment (SSP) Program.

**Fiscal Detail:**

**Operating Expenditures**

	<u>FY 1</u>	<u>FY 2</u>	<u>Total</u>
<b>Overall Funding</b>			
001-1 General Fund - Basic Account-State	0	12,446,000	12,446,000
001-C General Fund - Basic Account-DSHS Medicaid Federa	0	323,000	323,000
<b>Total Cost</b>	<b>0</b>	<b>12,769,000</b>	<b>12,769,000</b>

**Staffing**

	<u>FY 1</u>	<u>FY 2</u>	<u>Annual Avg</u>
<b>Agency FTEs</b>	<b>0.0</b>	<b>8.8</b>	<b>4.4</b>

**Package Description:**

During the 2002 Legislative session, the Department of Social and Health Services (DSHS) was directed to redesign the system by which it pays SSPs and to convert some existing state-only funded DDS clients to SSI/SSP. The requirement to limit SSP to persons or families who are also SSI cash recipients limited the number of DDS clients who could be converted to the new program. The limited client base has caused the department to fall short of the required MOE target.

Currently, all services funded with state-only dollars are authorized and monitored through the existing infrastructure using the same authorization and monitoring system as for services funded through the Home and Community Based Services waiver or other sources. Implementation of this directive will require the development of an infrastructure to authorize and monitor services in a new way for a minimum of 9,200 clients.

The conversion to SSP will expand the duties of case managers by:

- Responding to client and family questions about SSP
- Monitoring changes in SSI eligibility
- Training providers and agencies
- Processing eligibility reviews for continuing SSP eligibility
- Monitoring SSP expenditures to ensure compliance with program requirements
- Correcting payment authorizations
- Creating SSP packets for clients and families
- Coordinating SSP services with county vendors

Full implementation of SSP will affect approximately 9,200 clients.

**Narrative Justification and Impact Statement**

***How contributes to strategic plan:***

DDS will effectively and efficiently use resources to accomplish the values, principles, and mission of DDS while maintaining accountability for public and client safety and management of authorized resources.

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***Performance Measure Detail***

**Program: 040**

**Goal: 06D Effectively/efficiently use resources to accomplish  
values/principals/ mission**

**Incremental Changes**  
**FY 1 FY 2**

No measures submitted for package

***Reason for change:***

The state must meet the SSI/SSP MOE requirement by December 31, 2003 in order to avoid federal penalties which may include the loss of as much as \$3 billion in federal Medicaid matching funds.

***Impact on clients and services:***

Many clients affected by this program will require additional assistance to manage funds provided through SSP.

***Impact on other state programs:***

None

***Relationship to capital budget:***

None

***Required changes to existing RCW, WAC, contract, or plan:***

Revisions are currently being made to the following administrative codes: WAC 388-850-035, 388-820-020, 388-820-060, 388-820-120, 388-825-055, 388-825-120, 388-825-180, 388-825-205, 388-825-252, and 388-825-254. Emergency WACs are in place and new codes are being drafted to address additional issues.

***Alternatives explored by agency:***

As directed in the 2002 Supplemental Budget, DDS submitted a plan to the Social Security Administration (SSA) that would have provided SSP benefits to a broader group of DDS clients than just SSI recipients. SSA did not approve the DDS plan. This denial means that DDS cannot use existing state expenditures to meet the SSI MOE requirement, causing the current shortfall in MOE expenditures.

***Budget impacts in future biennia:***

Equipment costs are one-time only. All other costs go forward into future biennia.

***Distinction between one-time and ongoing costs:***

There is a one-time set up costs for staff. All other costs will be ongoing.

***Effects of non-funding:***

The Social Security Act states that failure of the state to spend required SSP MOE results in the loss of Medicaid funding. Current Medicaid funding is in excess of \$3 billion annually. Failure to fund the SSP MOE will result in increased costs of MOE in future years due to the way SSA calculates State annual MOE obligations from year to year. Underpaying MOE for two consecutive years permanently increases future SSP obligation by the underpayment amount.

***Expenditure Calculations and Assumptions:***

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The current MOE for Washington State is \$28.9 million annually. There is an anticipated \$12 million funding shortfall in Fiscal Year 2003.

See attachment - DDS M2-2F State Supplemental Payments.xls

<b><u>Object Detail</u></b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Overall Funding</b>				
A	Salaries And Wages	0	392,000	392,000
B	Employee Benefits	0	98,000	98,000
E	Goods And Services	0	231,000	231,000
G	Travel	0	33,000	33,000
N	Grants, Benefits & Client Services	0	12,000,000	12,000,000
T	Intra-Agency Reimbursements	0	15,000	15,000
<b>Total Objects</b>		<b>0</b>	<b>12,769,000</b>	<b>12,769,000</b>

**DSHS Source Code Detail**

<b>Overall Funding</b>		<b><u>FY 1</u></b>	<b><u>FY 2</u></b>	<b><u>Total</u></b>
<b>Fund 001-1, General Fund - Basic Account-State</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
0011	General Fund State	0	12,446,000	12,446,000
<i>Total for Fund 001-1</i>		<b>0</b>	<b>12,446,000</b>	<b>12,446,000</b>
<b>Fund 001-C, General Fund - Basic Account-DSHS Medicaid Federa</b>				
<b><u>Sources</u></b>	<b><u>Title</u></b>			
19TA	Title XIX Assistance (FMAP)	0	323,000	323,000
<i>Total for Fund 001-C</i>		<b>0</b>	<b>323,000</b>	<b>323,000</b>
<b>Total Overall Funding</b>		<b>0</b>	<b>12,769,000</b>	<b>12,769,000</b>